

ALTERNATIVE FUEL REFUELING FACILITY CREDIT

For tax years beginning prior to January 1, 2011, Colorado income tax credits are available for the construction, reconstruction or acquisition of an alternative fuel refueling facility that is directly attributable to the storage, compression, charging or dispensing of alternative fuels to motor vehicles.

The percentage of the credit is determined by the tax year in which the costs are incurred:

Tax year beginning prior to to Jan. 1, 2006	Tax year beginning prior to Jan. 1, 2009	Tax year beginning prior to Jan. 1, 2011
50 %	35%	20%

Increased Credit

1) If 70% or more of the alternative fuel dispensed each year by the refueling facility is derived from a renewable energy source for ten years (certification must be provided upon request); and/or

2) If the refueling facility is generally accessible for use by persons in addition to the person claiming the credit,

The percentage of the credit will be multiplied by 1.25.

Limitations to the Credit

The credit claimed by a taxpayer is limited to \$400,000 in any consecutive five-year period for each refueling facility.

This credit cannot be claimed on a refueling facility, or on any equipment used in connection with that facility, if **any** taxpayer has ever claimed the alternative fuel refueling facility credit for that facility.

To the extent the allowable credit exceeds the tax liability, the excess may be carried forward for up to five years.

Common Questions

What percentage of the costs of a new facility will be eligible for the credit when the project includes a convenience store and traditional gas pumps?

Only the incremental costs of the alternative fuel distribution system will qualify for the credit. No portion of the cost of the convenience store and other fuel systems will qualify for the credit.

What costs qualify for the alternative fuel refueling facility credit when a facility for which a credit was previously claimed is updated and/or expanded?

None. The law does not allow a credit to be claimed on a facility for which the credit was previously claimed.

ENERGY CONSERVATION REBATE

Any expenses reimbursed by a rebate issued by the Office of Energy Conservation or any other entity will not qualify for the income tax credits or rebate described in this FYI.

FURTHER INFORMATION

FYIs, commonly used forms and additional tax information are available on the Web at www.taxcolorado.com

For additional Colorado tax information visit the "[Tax Information Index](#)" which covers a variety of topics including links to forms, publications, regulations, statutes and general questions and answers. The "[Tax Information Index](#)" is located at www.taxcolorado.com

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having authority to bind the Department, has not formally reviewed and/or approved these FYIs.

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Other Links

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